

Kitumba Purchase Update and Development Plan

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This announcement includes release of insider information

Weatherly International plc (AIM:WTI)

("Weatherly" or "the Company")

Kitumba Purchase Update and Development Plan

Weatherly is pleased to announce that the shareholders of ASX-listed Intrepid Mines Limited (Intrepid) have voted in favour of the transaction whereby Weatherly will acquire the Kitumba Project in Zambia. Weatherly is also pleased to announce the outline of its Project Development Plan for Kitumba focussed initially on a high-grade and high-confidence Phase 1 development zone within the resource.

Kitumba purchase update

As announced on 12 December, one of the Conditions Precedent for Weatherly's acquisition of the Kitumba Project was Intrepid shareholder approval. That approval was obtained at an Intrepid EGM held earlier today. Remaining Conditions Precedent include Zambian regulatory approval by the Zambian Ministry of Mines and Minerals Development plus by the Zambian Competition and Consumer Protection Commission.

Kitumba project development plan outline

The published JORC-compliant Measured and Indicated (M&I) Mineral Resource at Kitumba, with an effective date of 29 July 2015, contains 24.9Mt at 2.32% Cu using a cut-off grade of 1% Cu. The Mineral Resource contains a combination of copper oxide minerals, supergene enriched sulphide minerals and primary sulphide minerals.

Previous development plans for Kitumba were based on large scale and high capital cost development of the entire resource from the outset, and also included a decision to follow a relatively complex processing route using Pressure Oxidation to oxidise the sulphide minerals so that all of the contained copper could be leached and electro-won on site to produce copper cathode only.

Weatherly intends to pursue a two-phase development approach focussed initially on a Phase 1 development zone of higher-confidence and higher-grade mineralisation within the overall resource at Kitumba. The underground mine plan will be revised to focus on this Phase 1 development area, with capital expenditure reduced to suit a Phase 1 mining production rate of 0.75 to 1.0 Mtpa of ore.

Further, Weatherly intends to evaluate a lower risk and lower cost processing route utilising a combination of flotation and atmospheric leaching plus solvent-extraction and electro-winning to produce a concentrate containing the sulphide minerals for sale to local smelters, plus producing refined copper cathode from the oxide minerals within the resource.

To assist with this work, Weatherly engaged The MSA Group to provide an updated JORC-compliant Mineral Resource Estimate using a 2% Cu cut-off grade. They have now completed that work and the Measured & Indicated Mineral Resource estimate at a 2% Cu cut-off grade comprises 9.5Mt at 3.6% Cu, containing 342,000 tonnes of copper, with 5.3Mt at 4.04% Cu classified as Measured, and 4.2Mt at 3.05% Cu classified as Indicated.

The higher-confidence of the higher-grade portion of the Mineral Resource is demonstrated by the fact that 56% of the tonnage and 63% of the contained metal is in the higher-confidence Measured category, compared with the previously reported estimate at the lower cut-off grade which had 39% of the resource tonnage and 49% of the metal in the Measured category.

Weatherly believes that the change to a phased development approach focussed initially on high-confidence high-grade ore and the changed processing route will together significantly improve the financial metrics of Kitumba, and will allow a fast-track to financing and production.

The next steps involve re-logging of the substantial quantity of existing core and additional assaying to inform an improved geo-metallurgical model, followed by supplementary metallurgical testwork to form the basis of a new Preliminary Feasibility Study (PFS) for a Phase 1 mine development.

Upon completion of a positive PFS in 2018, a Bankable Feasibility Study (BFS) will be conducted and funding sought, with target completion by the end of 2019, for construction during 2020.

Once the Phase 1 development is financed and under construction, the Company will examine a Phase 2 development which will evaluate production expansion and/or mine-life extension options based on the overall resource.

The Company and its subsidiaries are unlikely to generate sufficient surplus cash to meet all loan repayments when due, particularly in the near term. The Company continues to positively engage with Orion on the subject.

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The information in this report that relates to the Kitumba Mineral Resource estimate is based on information compiled by Mr Jeremy C Witley, MSc (Eng), BSc (Hons), Pr.Sci.Nat, a Competent Person who is a Fellow of the Geological Society of South Africa, which is a Recognised Professional Organisation ('RPO'). Mr Witley has more than 25 years' experience in base and precious metals exploration, mining geology and Mineral Resource estimation and is a Principal Consultant with The MSA Group. Mr Witley has sufficient experience, that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Witley consents to the inclusion in this announcement of the matters based on his information in the form and context in which they appear.

About Weatherly

Weatherly is an AIM listed copper mining company operating in Namibia in southern Africa. Its principal assets are the Tschudi Mine and the Otjihase Project. The Tschudi Mine is an operating open pit mine producing refined copper cathode on site. The key assets of the Otjihase Project are the Otjihase underground copper mine and concentrator and the Matchless West underground copper mine. The Otjihase Project assets are currently under care & maintenance while in the Project Development stage. Weatherly also owns 25% of China Africa Resources Namibia (CARN), a private Namibian company which owns the high-grade Berg Aukas underground zinc-lead-vanadium project. On 12 December 2017, Weatherly announced that it had entered into an agreement to purchase the Kitumba copper development project in Zambia.

This information is provided by RNS
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